



Oregon Secretary of State's Office Testimony on HB 2983

The Secretary of State's Office encourages the committee to consider technical changes to resolve ambiguities and potential administrative issues with the current language in this bill. The policy and fiscal impacts of this bill are currently unclear due to these technical issues. We are glad to work with anyone on improvements. Our campaign finance team compiled the following comments and questions.

- Definition of "anonymous" says name **OR** address; maybe "and" instead of "or"
- The definition of donation includes fees, dues, or assessments for memberships – but then it goes on to say that it does not include money received in the ordinary course of a trade or business conducted. It seems that fees/dues/assessments are in the ordinary course of business. If they are receiving money for the purpose of supporting or opposing a candidate they are a PAC. This definition could potentially create a significant transparency loophole or unequal playing field if not worded properly. More analysis is needed.
- It could be very confusing to have a new term "donation" – perhaps this should be added to the definition of contribution in 260.005(3)?
- Once the covered nonprofit has spent more than \$50K on a legislative race or \$250K for a state office race, they must disclose all donors who have given \$50K or more during that election cycle. However, they don't need to disclose the name of donors if the donation was in the regular course of business. But if the covered nonprofit is receiving monies outside of the regular course of business and for the purpose of supporting or opposing a candidate they meet the definition of a PAC and already have disclosure requirements.
- It is unclear whether there is a requirement to list the amount a donor has given when the list is filed. Only name and address if they have donated and aggregate amount of \$50K or more or \$250K or more
- Makes reference to deadlines in ORS 260.044. This needs to be considered for two reasons.
 - 260.044 requires filing in ORESTAR. ORESTAR does not currently have the capacity to handle electronic filings for this which means we would need to accept paper filings (including by email).
 - The deadlines for filing in ORESTAR under 260.044 is 11:59:00 p.m. per 249.021 (4). Other election documents must be filed by 5 p.m. I think it would need to be clear somewhere that even though the deadlines days for this are in 260.044, the time is not 11:59:00 p.m. because these filings are not required under ORS 260.057.

- The language provided in section 2 (3)(a) and (b) creates confusion:
 - except that the time frame for filing starts on the day that the dollar amount received by the covered nonprofit from a single donor not previously on the list, whether by single donation or aggregate donations, equals \$50,000 or more.
- Confused by language and purpose in section 2 (6)
- Section 4 seems to not allow certain types of Personal Expenditures for Reimbursement. For example, if a candidate attends an event they might contribute to a committee using their personal card and tell the recipient that it is coming from their candidate committee. The candidate then get reimbursed from their committee.
- Section 4 says that covered nonprofits may not accept contributions in false name and that a person may not donate money in false name – but does that only cover those funds which are then used to make expenditures to support or oppose a candidate? What would be the Division’s authority to look at any money collected in the normal course of business if those are not considered donations?
- The penalties say \$500 for failure to file a list. In addition, \$500 for each missing piece of information required (name and address). It seems that the penalty for not filing a list is less than the penalty for filing an insufficient list. Is that the case?
- The ‘covered nonprofit’ should be required to establish a dedicated bank account to deposit its ‘donations’ and make expenditures from – separate from the non-profit account.

Due to recent events in our office, our team has not had sufficient time to fully analyze this bill and amendments, so we are likely to have more comments in the future.

Contact: Steve Elzinga 503-986-2259 or stephen.elzinga@oregon.gov